**Asset Disposal Procedure**

**Approving authority:** Chief Financial Officer
**Date of issue: 16 July 2019**

This procedure applies to all staff of the University of Waikato who wish to dispose of University owned capital assets.

**Definition of capital assets**

Capital Assets are those assets purchased by the University and funded specifically from capital budgets or research budgets authorised for capital purchases. These assets will appear on the fixed asset register.

**Reasons for disposal**

An asset should be disposed of when it is no longer fit for any University purpose. This occurs when an asset;

* Becomes obsolete. i.e. no longer provides the service it was purchased for
* Comes to its end of life as defined in specific asset policies. i.e. computers older than 5 years
* Becomes unserviceable. Can no longer be maintained to the required standard.

An asset cannot be disposed of merely because it is fully depreciated.

Before disposing or ordering new furniture, please refer to the [Reuse or Disposal of Surplus Furniture Procedure](https://i.waikato.ac.nz/portal/server.pt/document/133615/reuse_or_disposal_of_furniture_procedure_9_july_2019_pdf) for further guidance.

If an item is lost or stolen please contact the Fixed Asset Officer, Petrus Rijkers (rgty3069@waikato.ac.nz) regarding the procedure that is required to be followed.

**Approved methods for the disposal**

Assets may be disposed of through various methods provided a fair market value is obtained:

* Appropriate auction
* Tender process
* Through a reputable trade dealer
* Used as a trade in
* By a method authorised by another University policy e.g. ICT equipment is disposed in accordance with the http://www.waikato.ac.nz/official-info/index/docs/provision-of-computers-for-staff-and-recycling-and-disposal-of-university-computer-equipment
* Through authorised donation schemes

Only when the above has been considered and rejected may the item be recommended for scrap.

**Authorisation for disposal**

In accordance with the Financial Authority Policy, University assets must not be disposed of without the prior approval of the CFO. http://www.waikato.ac.nz/official-info/index/docs/financial-authority-policy

The following process is required to ensure all capital asset disposals are approved:

1. The Head, Dean or equivalent will recommend to the CFO that an asset or group of assets should be disposed of. The information required for the recommendation includes:
	* + - 1. Asset name and unique identification on the asset register
				2. Cost and book value on the asset register
				3. Rationale for disposal
				4. Estimated market value
				5. Proposed method of disposal
				6. Time period for disposal
	1. The CFO will respond with either
		* + 1. Approval or,
				2. A request for more information or
				3. rejection of recommendation with an explanation
	2. Once authorised by the CFO, the Head, Dean or equivalent may proceed with the disposal.
	3. Once disposal has occurred the Head, Dean or equivalent must provide the Fixed Asset Officer with the following:
* A copy of the CFO’s authorisation for disposal,
* The value of proceeds received,
* The date of disposal,
* Evidence of physical disposal or
* Advice that the asset has been dismantled
	1. The Fixed Asset Officer will remove the asset from the Fixed Asset Register.
	2. All proceeds from the sale are to be deposited into the University bank account and coded to 01-DF-FI00-30-4630-0000. An official receipt must be issued for all disposals where money has been received. All sale proceeds are inclusive of GST.

**Breaches of this procedure**

Line managers must report any breaches of this procedure to the Chief Financial Officer.